

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
GTE CORPORATION,)
)
Transferor,)
)
and)
)
BELL ATLANTIC CORPORATION,)
)
Transferee,)
)
For Consent to Transfer Control.)

CC Docket No. 98-184

**Comments of the
National Consumers League**

November 23, 1998

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I. Statement of Interests

The National Consumers League (NCL) welcomes the opportunity to submit comments on the Bell Atlantic and GTE merger. Founded in 1899, the NCL works to bring consumer power to bear on marketplace and workplace issues. The NCL represents consumers on such critical issues as child labor, fair labor standards, telemarketing fraud, health care, food and drug safety, financial services, energy, the environment and telecommunications. We are submitting this filing because the proposed merger will affect matters of profound concern to consumers. This filing offers us the opportunity to address and evaluate these matters from the consumer perspective. We will specifically address the issues of telephone and online fraud and job creation.

II. Introduction and Summary

The National Consumers League believes the proposed merger between Bell Atlantic and GTE can promote the public interest in two significant ways. First, we believe the record of both Bell Atlantic and GTE is commendable in serving the interests of consumers by addressing and helping combat telecommunications and Internet fraud. We expect that this sensitivity for consumer rights augers well for the future as the two companies combine, grow and move into markets. Second, it would be our hope that the merger will help spur new high paying jobs as it fosters new investments, expands existing markets and helps create entirely new markets.

III. Telephone and Internet Fraud

Over the past several years, the National Consumers League has taken an active role in educating the public about telephone-related fraud and advocating for appropriate consumer protections. In 1992, we created the National Fraud Information Center, a unique hotline service. Consumers can call the NFIC toll-free number, 1-800-876-7060, for advice about telephone solicitations and to report possible fraud. They can also request educational information and report fraud through our web site at <http://www.fraud.org>. Consumers' reports of telephone-related fraud are uploaded daily to the database maintained by the Federal Trade Commission and the National Association of Attorneys General. The NFIC also relays consumers' fraud reports to individual federal, state and local law enforcement agencies within minutes of receiving them.

Telephone-related fraud reported to the NFIC this year is dominated by "cramming," the placement of unauthorized charges on consumers' telephone bills, and "slamming," the unauthorized switching of consumers' telephone service.

In early 1996, the National Consumers League decided to expand its efforts to cover scams in cyberspace. Thus was born the NFIC website and the Internet Fraud Watch project. With the creation of www.fraud.org, consumers from all across the globe can get tips on how to avoid scams or can report fraud through our online forms 24 hours a day, 7 days a week. Fraud.org receives over 70,000 visits and over 1300 e-mails per week from consumers all across the globe. Internet Fraud Watch (IFW) compliments the effort of the National Fraud Information Center by performing the same prevention and reporting functions for Internet based fraud that NFIC does for telemarketing. IFW uses

the same 800# and website as NFIC, allowing consumers and law enforcement one call for information they need on telemarketing and Internet fraud.

Internet fraud, like the Internet itself, covers a wide canvas. It can range from online marketing and sale of products that are never delivered or misrepresented, to empty promises offered via email of big profits to be made with little or no work by investing in pre-packaged businesses or franchise opportunities.

We believe that corporations who wish to play a leading role in the marketplace -- as do Bell Atlantic and GTE -- also have a responsibility to play a leading role in helping protect the rights of the consumers they wish to serve. The record of both Bell Atlantic and GTE demonstrate that they understand this fundamental principle.

Bell Atlantic, for example, is fighting telephone fraud in two ways. First, it has established the Bell Atlantic Fraud Protection Center (FPC) -- a one-stop state-of-the art facility designed to protect customers by detecting suspicious calling patterns and acting upon them. The 800 number (1-800-745-6989) serves customers 24 hours a day, seven days a week, in 140 languages. Second, Bell Atlantic has played a highly active role in developing the Alliance to Outfox Phone Fraud's public awareness campaign. The campaign utilizes public events nationwide, TV public service announcements and trade publication advertisements to educate consumers about telephone fraud and how to combat it.

GTE, for its part, has also been active in the fight against telephone and Internet fraud. GTE is one of the founding sponsors of the Better Business Bureau Online -- which requires participating businesses to demonstrate their commitment to honest advertising online and customer satisfaction.

Both Bell Atlantic and GTE have adopted strong anti-cramming initiatives. For example, both companies have announced that they will soon allow customers to control the ability of companies to tack charges on to their telephone bills.

NCL hopes that the willingness of both Bell Atlantic and GTE to address quickly the cramming issue augers well for the efforts of the new company to address emerging telemarketing and Internet fraud. We would also expect the combined company to adopt the highest level of standards on issues of consumer privacy and truth-in-billing.

IV. Job Creation

In our economy, where growth is largely driven by consumer demand, a healthy job market goes hand-in-hand with a healthy consumer sector. Consumers need the purchasing power provided by good-paying jobs to make good choices among the vast array of products and services in the marketplace. To what extent the Bell Atlantic-GTE merger will produce such good-paying new jobs is an imponderable. We are, however, cautiously optimistic. The Bell Atlantic-NYNEX merger has resulted in the addition of 4,000 service-related jobs, and the wireless subsidiary is also adding about 750 new jobs yearly. As Bell Atlantic and GTE are not direct competitors today, we expect that the combined company will have a strong incentive to retain their skilled, unionized employee base and expand it as they offer new services and enter new markets.

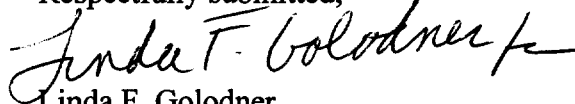
Bell Atlantic-GTE will be aiming to play a competitive role not only in the existing telephone marketplace, but also in the fast-growing and potentially far larger, Internet marketplace, which some are projecting to achieve \$3.2 trillion in global sales by 2003. The new merged company will strive to be one of engines for this growing

marketplace by expanding its scale of business, its scope of marketing and its range of services. Therefore, it has the potential to not only create new jobs within its own company, but also help create far more jobs in other smaller companies that will offer niche services to larger companies and consumers.

V. Conclusion

As companies grow and expand into new markets, we believe that their responsibility to help protect consumer interests must grow correspondingly. Both consumers and legitimate marketers must be protected against the unfair and abusive practices of companies that are not playing fair in the new telecommunications marketplace. Those companies who wish to play a leading competitive role must also show leadership in helping fight for consumer rights and against those who will violate those rights.

Respectfully submitted,

A handwritten signature in black ink, reading "Linda F. Golodner" with a stylized flourish at the end.

Linda F. Golodner

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